

Datasoft

APPLICATION SOFTWARE (INDIA) LIMITED

ANNUAL REPORT

TRUE COPY

For Datasoft Application,
Software (India) Ltd.

[Signature]
Authorized Signatory.

MD	<input checked="" type="checkbox"/>	BKC	<input checked="" type="checkbox"/>
CS	NA	OPY	NA
RO	<input checked="" type="checkbox"/>	IV	NA
TRA	NA	AC	<input checked="" type="checkbox"/>
AGM	<input checked="" type="checkbox"/>	SH	<input checked="" type="checkbox"/>
VE	<input checked="" type="checkbox"/>		

1997-98

BOARD OF DIRECTORS

Chairman
H.J. Shah

Executive Director
R.M.Bhuta

Directors
R.N.Mankad
C.M.Buch
Chandan Parmar

Bankers
Bank of India

Auditors
M/s. B.L. Eriwal & Co.

Company Law Consultants
M/s. Dholakia & Associates

Registered Office
Casa Mariana,
Laxman Mhatre Marg, Borivli (West),
Mumbai-400 103

Y907

Initiated by
Date
Approved by
Date

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DATASOFT APPLICATION SOFTWARE (INDIA) LIMITED

Casa Mariana. Laxman Mhatre Marg. Borivli (W). Mumbai-400 103

NOTICE

NOTICE is hereby given that the Sixth Annual General Meeting of DATASOFT APPLICATION SOFTWARE (INDIA) LIMITED. will be held at Shree Girdharilal Munshilal Jain Sabhagruh. 1st Floor. New Shanti Nagar, Opp. Jain mandir. Mandpeshwar Road. Borivli (W). Mumbai-400 092 on Wednesday 30th September 1998 at 4.00 p.m. to transact the following business:

A. ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Profit & Loss Account for the year ended on 31st March 1998 and the Balance Sheet as at that date, and the Directors' Report and to receive the Auditor's Report.
2. To appoint a Director in place of Mr. C. M. Parmar who retires by rotation in this Annual General Meeting and being eligible offers himself for re-appointment.
3. To appoint Auditors to hold office from the conclusion of this meeting to the conclusion of next Annual General Meeting and to authorise the Board of Directors to fix their remuneration.

BY ORDER OF THE BOARD

Place : MUMBAI

Date : 1st September, 1998

R.M. Bhuta

Executive Director

Notes:

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND, ON A POLL, TO VOTE INSTEAD OF HIMSELF. SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY NOT LESS THAN FORTY-EIGHT HOURS BEFORE THE MEETING. A PROXY SO APPOINTED SHALL NOT HAVE ANY RIGHTS TO SPEAK AT THE MEETING.
2. Members are requested to bring with them their copies of Annual Report to the meeting.
3. Members are requested to deposit duly filled up attendance slip at the entrance to the place of meeting and not to bring with them any other person who is not a member/proxy.
4. Members desiring any information as regards accounts are requested to write to company at an early date so as to enable the management to keep the information ready.
5. Register of members of the Company and Share Transfer books will remain closed from Monday, 21st September, 1998 to Saturday 26th September, 1998.

DIRECTORS' REPORT

TO
THE MEMBERS OF
DATASOFT APPLICATION SOFTWARE (INDIA) LIMITED.

The Directors have pleasure in presenting their Sixth Annual Report, together with Audited Accounts for the year ended on 31st March, 1998.

1. FINANCIAL RESULTS	1997-98 (Rs. in Lacs)	1996-97 (Rs. in Lacs)
Sales and other Income	38.18	41.12
Profit before depreciation	2.94	1.56
Depreciation	(3.40)	(4.95)
Income Tax		
Divisible Profit	(0.46)	(3.39)
Retained Profit	(0.46)	(3.39)

2. DIVIDENDS

Your Directors do not recommend any dividend for the year, since there is no profit in the current year.

3. OPERATION

The main focus of the company continues to be in development of software, revenues for which are expected to accrue in future. Meanwhile, your company could achieve a turnover of Rs. 38.18 Lacs for the year. The Company could also manage to register an operating profit of Rs. 2.94 Lacs against operating profit of Rs. 1.56 lacs in earlier year. There has been net loss of Rs. 0.46 Lacs against loss of Rs. 3.40 Lacs in the previous year.

The Company is in process of developing an advanced Software on Enterprisewide Resource Planning. During the year under consideration, the company has completed design for core modules of the system, and has also developed four modules.

4. DIRECTOR

Mr. C. M. Parmar retires by rotation and being eligible offers himself for reappointment

5. PERSONNEL

Your Directors place on record appreciation for the hardwork put in by all the employees during the year under the review.

Mr. Rajesh M. Bhuta, Executive Director drew a salary of Rs. 2,32,257/- during the year. Except him there was no employee in receipt of remuneration of Rs. 25,000/- per month or Rs. 3,00,000/- per annum during the year under review.

6. COMPANIES (Disclosure of particulars in report of Board of Directors) RULES, 1988

The particulars required to be given in accordance with the Companies (Disclosure of particulars in the report of Board of Directors) Rules, 1988 viz. Conservation of Energy, Technology Absorption and Foreign Exchange earnings and outgo are given in Annexure A attached and forming part of this report.

7. AUDITORS' REPORT

With reference to the observations, made in the auditors' report, the note no. 3 in notes on the accounts as contained, in schedule - XV hereof is self explanatory and therefore, do not call for any further comments u/s 217 (3) of the Companies Act, 1956.

8. AUDITORS

M/s B.L. Eriwal & Co., Chartered Accountants, retire at the ensuing Annual General Meeting and being eligible, offer themselves for reappointment.

9. ACKNOWLEDGEMENT

Your Directors place on record their thanks to all the distributors and dealers of the Company's products, business associates and shareholders for their continued support to the company.

For and on behalf of the
BOARD OF DIRECTORS

Place : Mumbai
Date : 1st September, 1998

H. J. SHAH
CHAIRMAN

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ANNEXURE-A

THE INFORMATION REQUIRED UNDER SECTION 217(1)(e) OF THE COMPANIES ACT 1956 READ WITH THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF THE BOARD OF DIRECTORS) RULES, 1988.

A) CONSERVATION OF ENERGY

The Company's operations do not involve high energy consumption warranting measures for conservation. However, measures are being taken to make optimum use of the energy.

B) FORM OF DISCLOSURE OF PARTICULARS WITH RESPECT TO ABSORPTION OF TECHNOLOGY, RESEARCH & DEVELOPMENT (R & D)

FORM B

RESEARCH & DEVELOPMENT

1) Specific areas in which R&D carried out by the Company :

Software Products

2) Benefits derived as a result of the above R&D :

Commercialisation of Software Products

3) Future plan of action :

The Company's R&D efforts will be targeted towards upgradation of the present software products and development of new software products for commercialisation and revenue increase in domestic and foreign markets.

Technology Absorption, Adaption and Innovation and Benefits derived therefrom :

The R&D efforts have been successfully translated and commercialised, in a modest way, through the software products. These efforts will be directed at upgrading the existing products and development of new products.

Technology imported and absorbed:

The Company has not imported, through foreign collaborations or otherwise, any technology for the existing products of the Company.

Foreign Exchange Outgo and Earnings:

Please refer to Note No. 7 and 8 of Schedule XV to the Balance Sheet.

AUDITORS' REPORT

To.
The Members,
Datasoft Application Software (India) Limited.,
MUMBAI.

We have audited the attached Balance Sheet of DATASOFT APPLICATION SOFTWARE (INDIA) LIMITED. as at 31st March, 1998 and the Profit and Loss Account for the year ended on that date, annexed thereto, and report that :

1. As required by the Manufacturing and Other Companies (Auditors' Report) Order, 1988 issued by the Company Law Board in terms of Section 227 (4A) of the Companies Act, 1956 and as per the information and explanations given to us during the course of our audit, we enclose in the Annexure, a statement on the matters specified in para 4 and 5 of the said order.
2. Further to our comments in the Annexure referred to in Paragraph 1 above, we report that -
 - (a) We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the company so far as appear from our examination of such books.
 - (c) The Balance Sheet and Profit and Loss Account referred to in this report are in agreement with the books of account.
 - (d) In our opinion, loans given to Shaw wallace & Co. Ltd. amounting to Rs. 18,12,369/- including interest accrued upto 31st March, 1997 against whom legal actions have been initiated by the company, are doubtful of recovery for which no provision has been made in the books of account.
 - (e) Subject to above, in our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the notes thereon, give the information required by the Companies Act, 1956 in the manner so required, and give a true and fair view :-
 - a) In the case of Balance Sheet of the state of affairs of the company as at 31st March 1998, and
 - b) In the case of Profit and Loss Account of the loss of the company for the year ended on that date.

For B. L. ERIWAL & CO.
Chartered Accountants

PLACE : MUMBAI

B. L. ERIWAL
Proprietor.

DATE : 1st September, 1998

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Annexure to the Auditors' Report

Referred to in paragraph 1 of our Report of even date

- 1) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets. All the fixed assets have been physically verified by the management during the year. In our opinion, the frequency of verification of fixed assets is reasonable, having regard to the size of the company and the nature of its assets. No material discrepancies have been noticed on verification.
- 2) None of the fixed assets have been revalued during the year.
- 3) The stocks of trading items and of consumables, have been physically verified by the management during the year.
- 4) The procedures of physical verification of stocks followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
- 5) No material discrepancies have been noticed on physical verification of stocks as compared to book records.
- 6) On the basis of our examination of stock, we are of the opinion that the valuation of stocks is fair and proper in accordance with normally accepted accounting principles and is on the same basis as in the preceding year.
- 7) The company has not taken any loan, secured or unsecured, from companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956 and/or from the companies under the same management as defined under sub-section (1B) of section 370 of the Companies Act, 1956.
- 8) The company has not granted any loan, secured or unsecured, to the companies, firms or other parties listed in the register maintained under section 301 of the companies Act, 1956 and / or to the companies under the same management as defined under section 370 (1B) of Companies Act, 1956.
- 9) The parties and an employee to whom loans or advances in the nature of loans have been given, are generally repaying the principal amount as stipulated and also have been generally regular in payment of interest except, i) in case of the loans given to Shaw Wallace & Co. Ltd. aggregating to Rs. 18,12,369/- including interest accrued upto 31-3-1997, where the management has taken reasonable steps to recover the same; and ii) in case of loans given to certain parties amounting to Rs. 27,94,725/- where there are no stipulations as regard repayment of principal amount and payment of interest.
- 10) In our opinion and according to information and explanation given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to purchase of trading items, consumables, plant and machinery, equipments and other assets and with regard to sale of trading goods.
- 11) No transactions of purchase of goods and materials and sale of goods, materials and services aggregating during the year to Rs. 50,000/- or more were made in respect of each party, in pursuance of the contracts or arrangements entered in Register maintained u/s. 301 of the Companies Act, 1956, during the year.
- 12) As explained to us, the company has a regular procedure for the determination of unservicable or damaged trading goods and consumables, and no write off of such items in the accounts was considered necessary, during the year.
- 13) The company has not accepted any deposits from the public.
- 14) The company did not generate any realisable scrap during the year and has no by-products.